

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Richard P. Krasnow

Attorneys for Debtors
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
	:
In re	: Chapter 11 Case No.
	:
LEHMAN BROTHERS HOLDINGS INC., et al.,	: 08-13555 (JMP)
	:
Debtors.	: (Jointly Administered)
	:
-----X	

**NOTICE OF THIRD SUPPLEMENTAL
DECLARATION AND DISCLOSURE STATEMENT OF
JAMES F. CONLAN ON BEHALF OF SIDLEY AUSTIN LLP**

PLEASE TAKE NOTICE that on November 20, 2008, and in accordance with the Order Pursuant to Sections 105(a), 327, 328 and 330 of the Bankruptcy Code Authorizing the Debtors to Employ Professionals Utilized in the Ordinary Course of Business, entered on November 5, 2008 (the "Order") [Docket. No. 1394], Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (together, the "Debtors"), filed the ordinary course professional affidavit and retention questionnaire (together the "Affidavit and Questionnaire") of Duncan Darrow on behalf of Sidley Austin LLP ("Sidley Austin") [Docket No. 2062]. Supplements to the Affidavit and Questionnaire were filed on January 21, 2009 [Docket No. 2586] and October 14, 2009 [Docket No. 5494].

PLEASE TAKE FURTHER NOTICE that the Order was Amended on March 25, 2010 (the "Amended Order") [Docket No. 7822].

PLEASE TAKE FURTHER NOTICE that Sidley Austin hereby further supplements its Affidavit and Questionnaire to include representing the Debtors in connection with various matters relating to non-U.S. commercial and residential mortgage backed securitizations (the "Supplemental Sidley Austin Declaration"). A copy of the Supplemental Sidley Austin Declaration is attached hereto as Exhibit A.

PLEASE TAKE FURTHER NOTICE that pursuant to the Amended Order, the Debtors will serve this Notice, together with the Supplemental Sidley Austin Declaration, on (i) the Office of the United States Trustee, and (ii) the attorneys for the Official Committee of Unsecured Creditors appointed in these chapter 11 cases.

PLEASE TAKE FURTHER NOTICE that pursuant to the Amended Order, objections, if any, to the expanded retention of Sidley Austin must be filed with the Court and served upon the undersigned attorney for the Debtors within 10 days of the date of service of this Notice. Unless timely objections are received, the expanded retention of Sidley Austin shall be deemed approved by the Court and deemed to be ordinary course professionals within the purview of the Amended Order, without the necessity of a hearing.

Dated: July 14, 2010
New York, New York

/s/ Richard P. Krasnow
Richard P. Krasnow
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors
and Debtors in Possession

Exhibit A

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re	: Chapter 11 Case No.
	:
LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i> ,	: 08-13555 (JMP)
	:
Debtors.	: (Jointly Administered)
	:
	:
-----X	

**SUPPLEMENTAL AFFIDAVIT AND DISCLOSURE STATEMENT OF
JAMES F. CONLAN ON BEHALF OF SIDLEY AUSTIN LLP**

STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

James F. Conlan, being duly sworn, upon his oath, deposes and says:

1. I am a partner of Sidley Austin LLP, with offices located, among other places, at 787 Seventh Avenue, New York, NY 10019 (the "Firm").

2. On December 3, 2008, Duncan Darrow of this Firm executed an Affidavit and Disclosure Statement (the "Affidavit") in support of Debtors' retention of Sidley Austin LLP as ordinary course professionals to provide loan closing representation and submitted that Affidavit and a completed Retention Questionnaire (the "Questionnaire") to the Debtors' bankruptcy counsel, to be filed with the Court in accordance with the procedures set forth in the order entered November 5, 2008 authorizing the Debtors to employ professionals utilized in the ordinary course of business [Docket No. 1394]. The Debtors subsequently filed the Affidavit and Questionnaire with the Court on December 4, 2008 [Docket No. 2062]. On January 21, 2009, Sidley supplemented that Affidavit and Questionnaire to include the representation of at least five non-Debtor affiliates, in particular Lehman ABS Corp., Lehman ALI, Inc., LB South

Kohala LLC, Kealia Mezz Holdings LLC and Lehman Brothers Real Estate Japan Limited/Sunrise Finance Co. On October 14, 2009, Sidley further supplemented its Affidavit and Questionnaire to include the representation of Lehman Commercial Paper Inc as agent and lender in syndicated loan facilities [Docket No. 5494].

3. This Affidavit (the “Supplemental Affidavit”) supplements the previous Affidavits, and to the extent that it contradicts the previous Affidavits, supersedes them.

4. Lehman Brothers Holdings Inc. (“LBHI”), on behalf of itself or any of its affiliated debtors in the above captioned case (collectively, the “Debtors”), has requested that the Firm expand its ordinary course representation to include the representation of the Debtors in connection with various matters relating to non-U.S. commercial and residential mortgage backed securitizations.

5. The Firm has performed significant services in the past and anticipates that it will perform significant services in the future for persons that are parties in interest in the Debtors’ chapter 11 cases, including services directly adverse to the various Debtors, including representing litigants against the Debtors or others that have or may hereafter file claims against the Debtors. The Firm is willing to undertake the representation described in paragraph 4 provided such representation does not conflict the Firm from its other representations in the Debtors’ chapter 11 cases.

6. As and when the Debtors identify specific non-U.S. commercial or residential mortgage backed securitization matters on which the Debtors would like the Firm to assist, the Firm will undertake appropriate conflicts analysis prior to accepting such engagements in order to ensure that it does not represent an interest directly adverse to the Debtors in connection with such specific identified matters. Once the Firm accepts a specific

identified non-U.S. commercial and residential mortgage backed securitization matter on behalf of the Debtors, it will not accept any other adverse engagement in connection with such specific identified matter. Nothing in connection with the Firm's representation of the Debtors in connection with the non-U.S. commercial and residential mortgage backed securitization matters shall preclude the Firm from continuing to act for and on behalf of claimants in the Debtors' chapter 11 cases.

7. Except as set forth herein, neither I nor any principal of, or professional employed by the Firm, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their estates with respect to the matters on which the Firm will be engaged.

By: _____

James F. Conlan

Subscribed and sworn to before me
this 13th day of July, 2010

Melanie A. Gross

Notary Public

